

COMPLETE STATEMENT OF
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CHIEF OF ENGINEERS
U.S. ARMY CORPS OF ENGINEERS
DEPARTMENT OF THE ARMY
BEFORE THE
Committee on Small Business
HOUSE OF REPRESENTATIVES
August 2, 2007

Madam Chair and Members of the Committee, I am Lieutenant General Robert L. Van Antwerp, Chief of Engineers. Thank you for the opportunity to testify before you today concerning contracting opportunities for small businesses affected by disasters and the Corps of Engineers' efforts to increase these opportunities.

In times of disasters, the U.S. Army Corps of Engineers (USACE) works primarily in support of the Federal Emergency Management Agency (FEMA), carrying out a wide variety of missions. The Corps of Engineers practices the principle of openness. We strive to maintain transparency in our contracting activities and welcome oversight of our activities.

I fully recognize the value that small businesses play in our national economy, and I am personally committed to using small businesses in performing our work, both in the normal course of business, and in times of major natural disaster. We strive to use Small, Small-Disadvantaged/8(a), Women-Owned, HUBZone, Veteran-Owned, and Service-Disabled Veteran Owned firms to the maximum extent possible, and typically, the Corps of Engineers awards more than 40 percent of its prime contract dollars to small firms.

My statement will address three areas: "Current Opportunities and Awards", "Future and Ongoing Work", and finally my thoughts on the "Way Ahead".

CURRENT OPPORTUNITIES AND AWARDS

Madam Chair, in your letter dated June 11, 2007, USACE was asked to identify five prime small business contracting opportunities. I'm pleased to inform the Committee that the USACE Louisiana Recovery Field Office (LARFO) has awarded the following four contracts to local small businesses since the April 12, 2007 hearing held by the House Small Business Committee in New Orleans:

- Metro Disposal (8(a)) – Fill swimming pools -- \$3.5 Million (M)
- Threefold Consultants (8(a)/HUB) – Private Property Debris Removal Assessment. -- \$3.5M
- Augulliard 8(a) – Private Property Debris Removal -- \$3.5M
- Progressive Inc. - Clean out of St. Bernard Canals -- \$3.5M -- sole source 8(a)

The LARFO anticipates awarding the following six to eight small business procurement actions:

- 5-7 competitive 8(a) contracts for Private Property Debris Removal; estimated value \$5.5M each; Geographic Scope – Jefferson Parish; approximated RFP issue dates July 5th through July 12th, closing dates approximately July 23rd through July 30th; Performance period – NTE 60 calendar days
- Recoupment of architecturally defining features -- 8(a) Competitive – closes July 9th

During the hearing on April 12, 2007 and in my response to your letter dated June 11, 2007, USACE identified 16 new small business prime contract opportunities worth over \$150 million for this fiscal year. Ten of the 16 contracts were to be demolition contracts awarded to 8(a) business concerns and Historically Underutilized Business Zone (HUBZone) firms, as requirements were identified. The estimated values of these contracts were \$15M each; the USACE existing mission assignment ends September 30, 2007. FEMA is working directly with local parishes on potential demolition missions and USACE will not be awarding these Contracts. FEMA has determined that New Orleans and Louisiana are now in a position to award their own contracts and to continue the recovery process without direct Federal aid. Our direct feedback from the City confirms their readiness.

FUTURE AND ONGOING WORK

On July 23, 2007, proposals were received for the re-competition of the Advanced Contracting Initiative – Debris Removal solicitation, or ACI – Debris Removal. Under the ACI program, USACE competitively awards contracts for future use in the areas of water, ice, power, temporary roofing, and debris removal. Having these contracts in place allows USACE to rapidly respond to emergency situations. The previous ACI - Debris Removal contracts were 100% large business. These new ACI Debris Removal contracts will be more small business friendly. Along with competitively awarded unrestricted contracts, these awards will include several competitively awarded 8(a) and HUBZone contracts. We have established three Multiple Award Task Order Contracts pools within the ACI Debris Management Services acquisition plan. Each pool will contain four to eight contractors, depending on the quality of the proposals received from industry. Two of the pools are HUBZone Set-Asides and one is an 8(a) Set-Aside. This equates to 12 to 24 contracts available for HUBZone and 8(a) contractors. When USACE responds to a disaster, a Recovery Field Office (RFO) is established. With this new business model, the RFO team will complete a debris field analysis which includes a determination on whether small businesses have the capacity to remove the amount of debris left in the wake of the disaster. Also, subcontracting goals for our large business partners (unrestricted contracts) will be higher in all small business categories than they were in the previous ACI – Debris Removal contracts. For the unrestricted contracts, the following goals have been set for this acquisition:

Small Business (SB)	75.0%
Small Disadvantaged Business (SDB)	14.0%
Women-Owned Small Business (WOSB)	12.0%
HUBZone Small Business	10.0%
Service-Disabled Veteran-Owned Small Business (SDVOSB)	7.0%
Veteran-Owned Small Businesses (VOSB)	9.0%

USACE is in the process of repairing and restoring the hurricane protection system in the New Orleans area. USACE has developed an acquisition plan as it moves forward in execution of this mission. Of the total \$5.8 billion appropriated for this work, the acquisition plan includes approximately 34% of this work (prime contract) or (\$1.98 billion) for small, small disadvantaged, HUBZone and service disabled veteran-owned small businesses. The approximate number of planned contract awards is 150 with a total of 101 of these contracts being set aside for the small business categories described above. Of the 65 contracts awarded to date, 60 have been awarded to small businesses. Finally, of the \$335.75 million obligated on these contracts, \$229.32 million has been obligated on the small business prime contracts.

THE WAY AHEAD

The Corps of Engineers has long considered the small business community an important partner in the success of its mission and continues to do so. We continually attempt to engage the small business community, through outreach, not because federal statutes require us to do so, but rather because it makes good business sense and it is the right thing to do. Outreach is a critical marketing tool for small business. To aid the New Orleans small business community in identifying contracting opportunities, USACE has conducted industry forums, market surveys, speaking at various conferences such as the American General Contractors, Society of American Military Engineers, Black Chamber of Commerce, Service Disabled Veteran-Owned Small Business national conference, SBA sponsored forums, and other civic meetings. USACE will continue this robust outreach program with participation and attendance at all national chambers of commerce conferences.

USACE will continue to always consider small businesses first as we develop our Acquisition Plans. I am committed to increasing prime small business opportunities at the USACE. The success of the federal small business program is a shared responsibility and I applaud the House Committee on Small Business for holding agencies accountable to their small business obligations.

SUMMARY

To close, I would like to thank you once again, Madam Chair, for allowing the Corps of Engineers the opportunity to appear before this Committee to discuss contracting opportunities for small businesses affected by disasters. Many USACE personnel have served our Nation by helping in the response to natural disasters in Texas, Louisiana, Mississippi, Alabama, Florida, or elsewhere in the nation or the world. We are proud to do so. I would be happy to answer any questions Members of the Committee may have.

Thank you.